



# Hector De La Torre

*Assembly Member 50<sup>th</sup> District*

## News Release

**For Immediate Release**

June 19, 2008

**Contact:** Hilda Delgado

(916) 319-2050

### Legislation to Create Parity in Maternity Coverage Passes Senate Health Committee

**Sacramento, Calif.** – The Senate Health Care Committee passed Assembly Bill 1964 by Assemblymember De La Torre (D-South Gate), by a 7-2 vote. The Bill requires insurance products regulated under the Department of Insurance to cover maternity services. Assembly Bill 1962 will close the loophole by preventing the sell to consumers of cheap, non-comprehensive coverage that some health insurance companies provide.

Some consumers, particularly women who buy private insurance, get exploited by a loophole under California law. The primary concern is that these health plans are regulated by two state agencies and subject to different regulations. Health plans (such as HMO's) are currently required to include maternity services in any health insurance policy they offer; however, health insurers (such as PPO's) are not.

As more and more employers drop health insurance for their employees, insurance companies are increasingly targeting the young and uninsured segment of the market with these non-maternity products.

"This legislation will create parity for consumers who buy individual insurance by requiring that providers include maternity coverage," said De La Torre. "Assembly Bill 1964 will help protect the interest of women and their families by closing the loopholes that allow some health insurance products to exclude basic maternity coverage."

Lack of insurance results in inadequate prenatal care which is a factor in the premature birth of one out of every 10 babies statewide. The estimate of average costs for each premature birth range from \$75,000 to \$130,000.

Federal law requires employers to include maternity coverage when they purchase health insurance; to not do so constitutes employment discrimination against women. However, some policies sold to individuals in California are not subject to this requirement.

Supporters of the bill include: March of Dimes, California Medical Association, American College of Obstetricians and Gynecologists, Latino Issues Forum, Kaiser Permanente, and Planned Parenthood.

###